

APPENDIX
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INTERIM PLAN FOR STOCKPILING FUNDS IN THE UNITED STATES

GENERAL

1. The necessity for establishing facilities for the purpose of ensuring the continuity of its activities in the event of an emergency has been recognized and provided for (or is to be provided for) by measures taken by the Agency as a whole and by the various component units of the Agency in conformity with an overall plan. It would appear that plans should be made to provide for interim financial support during a critical period through stockpiling funds in certain areas of pre-determined safety, specifically, in areas adjacent to the facilities to be supported.

2. The specific location of these stockpiles would necessarily have to be predicated upon the decision to (a) plan to direct Agency activities from presently located, permanent sites or (b) plan to continue Agency activities from an emergency Headquarters in some other part of the country or (c) to continue to direct its activities from both areas (a) and (b) concurrently. Therefore, it would appear logical at this time to prepare for such eventualities by ensuring complete coverage thru stockpiling funds in several general areas of probable activity, even though to accomplish this would necessarily greatly increase the amount of funds required for this purpose.

3. There are submitted herewith several tentative, alternative plans to provide for complete coverage in support of activities originating in several different areas as in 2 (c) above. These plans would provide for funds to be available for immediate use from stockpiles of physical cash, negotiable checks and both cash and checks.

EMERGENCY STOCKPILES IN THE WASHINGTON AREA

ACTUAL CASH IN DEPOSIT BOXES

1. In the event of a major catastrophe effecting the Washington area, for a time at least, normal business activity would come to a standstill and be seriously curtailed until law and order were restored. This period could be for from several days to as much as several weeks, depending upon the severity of the damage suffered and the reaction of the general public. The extent of the breakdown of day to day business activity would be determined by (a) loss of life, (b) destruction of transportation, (c) damage to facilities and utilities and (d) public morale. Similarly affected would be the financial facilities in the area. Banks would first have to restore internal order before they could resume business and even then, would be handicapped by loss of trained personnel, damage to buildings and physical loss of cash funds. Undoubtedly Government would decree that a form of credit should be extended to care for the most urgent needs. Although Government checks, warrants and financial instruments would probably receive priority, actual cash available may be far short of emergency requirements. Presumably, aid would be brought in from other areas however, no one could say with any degree of certainty that relief would come early or late and what emergency measures would be in effect during the interim period between shock and recovery.

2. During and immediately after the emergency period, our financial needs would become critical to the point of seriously jeopardizing the continuity of our many activities, particularly if our cash funds were in short supply or depleted. Our needs would be immediate and on a day to day basis. Normal cash requirements would probably increase during a period of emergency since in times of desperate uncertainty, actual currency is more reassuring and therefore negotiable than would be checks or other forms of negotiable instruments. Furthermore, the needs of Agency employees could become critical and to ensure having the services of its people during this emergency period, the Agency may find it desirable to financially assist them with their financial problems.

3. In the light that the foregoing could be presumed to become a reality in the event of a major catastrophe, it is proposed that physical cash be stored in safety deposit boxes in banks located outside the Washington area most likely to suffer severe damage and disruption to normal business activity. Cash, rather than deposits against which checks normally would be drawn, is suggested since less complications and therefore less time would be required to draw cash from deposit boxes than from bank accounts. Preparation of the checks, affixing authorized signature, identification of payee, etc., would be unnecessary, if cash were readily available.

4. It is proposed that three banks be selected, not too distant from the Washington facilities that access would be difficult because of distances to be traveled, deposit boxes rented and cash funds in amounts up to [REDACTED] be stored in each box.

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5. The storage of these funds would be accomplished under such controls as would be determined to be necessary in the light of the probable circumstances which might attend their subsequent withdrawal under emergent conditions. The names of at least six persons would be submitted to the banks as having proper authority to enter the boxes. However, it would be understood that any two of those named, acting jointly, could gain access. For purposes of control, those persons named would be required to formally and in writing, acknowledge non-ownership of the funds in the boxes. Furthermore, the bank would be required to accept the funds on the condition that they could be withdrawn by anyone properly authorized by competent authority, in the event none of those named would be available.

6. It is suggested that, in order to ensure that full usage of the cash for the intended purposes is provided for, the persons chosen as "Custodians", having access to the box contents, be drawn from the names appearing in the list below. This list has been prepared with the intention of having represented therein persons living in different areas adjacent to but outside the city proper, thereby enhancing the probability of sufficient numbers to be available, when needed.

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- 4 -

2. These bank accounts could probably be established with an understanding upon the part of the bank that would provide for anyone of perhaps six persons to be authorized to encash checks against the account. It might be possible to arrange with the bank for them to honor checks bearing signatures impressed from a plate. This would preclude any difficulty in getting proper signatures on checks in the event those authorized to sign checks would not be available but still providing the machine and signature plate were available. As a further control and to ensure that such a difficulty would not be presented, pre-signed checks could always be held, in the full amount of the account balance, so that even if no one of those authorized were available nor was the signature plate, the pre-signed check could be presented for encashment. Strict internal controls would necessarily have to be maintained over the custody of pre-signed checks and signature plates.

3. For purposes of control, those persons authorized to write checks against such accounts, would be required to formally and in writing, acknowledge non-ownership of funds in the accounts. Furthermore, these accounts would be established with the written understanding and formal acknowledgement by the bank that the funds were not the property of the individuals but were in fact, Government funds. The bank would be required to acknowledge the authority of the DCI to designate any person he may choose, to withdraw the entire balance from the account, at any time. Periodic statements of the accounts would be forwarded to one of

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[redacted] or picked up by a designated individual. These bank statements would be immediately audited to ascertain that balances are proper.

4. The designated principal(s) or operators of these accounts, it is suggested, could be indicated either by truename or pseudonym, if the latter is felt to be desirable, in which event, additional controls would be necessary, such as (a) acknowledgement of true-pseudonym relationship and (b) acknowledgement of non-personal interest in the account.

STOCKPILING EMERGENCY FUNDS IN OTHER THAN THE WASHINGTON AREA

1. Upon any decision to establish emergency Headquarters or operating facilities in areas outside Washington, as in St. Louis, Kansas City or generally, in the interior, the same plan for placing funds either in deposit boxes or in bank accounts as outlined above, could be utilized. However, if control over these funds were intended to be placed in persons permanently assigned to these interior areas of operation, then this person or persons would not likely be any of those named on the list. In which event, it must necessarily be determined as to who should be so designated and where the control over these funds is to be maintained. Although the fundamentals of establishing stockpiles in these areas would be similar to those used in setting up local stockpiles, execution of the plan would necessarily be dependent upon the selection of the persons to be permanently placed in these areas.

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- 5 -

2. The extent of the activity to be performed in this emergency Headquarters would determine the amount of funds to be stockpiled and the location would most likely determine whether the funds would be in physical cash, in bank accounts or in both. Generally speaking, it might be presumed that places in the interior of the country would not suffer extensive damage at the outset as would strategic and more vulnerable targets. If this were determined to be the case, stockpiling cash in deposit boxes might not be necessary and bank accounts might suffice.

ADDITIONAL CONTROLS TO BE MAINTAINED OVER STOCKPILE FUNDS

1. It is suggested that each 'Custodian' named be bonded in an amount determined to be adequate for the purpose.
2. It is suggested that combinations or keys to deposit boxes be held under the personal custody of one or more responsible persons. To ensure that combinations and keys are available when needed, it is suggested that copies of the combinations and duplicates of the keys be made and left in the custody of a second person, to be given out only in the event the others are not available.